From:	Stan Sokolowski <ssokolowski@cifc.com>
To:	Stan Sokolowski <ssokolowski@cifc.com>
CC:	
Date:	Fri, 8/15/2014 5:31:03 PM
Subject:	Daily Update

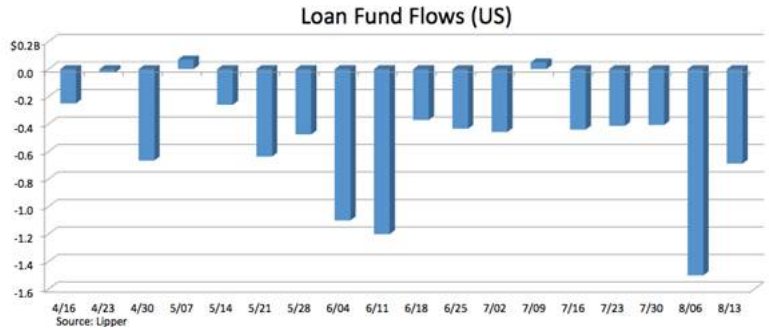
Quote of the Day

"I'll think [worry] about that tomorrow" – Scarlett O'Hara, Gone with the Wind (1939)

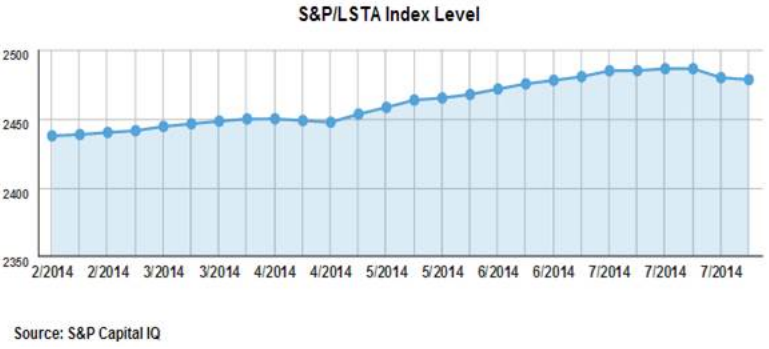
- Markets are thinking like Scarlett as the recent "sell-off" seems like a distant memory and the worry list appears to have shrunk. Europe is in the news with headlines of ongoing economic deterioration (see Chart(s) of the Day below). German ten year is at 1.01% this morning. The CLI (Commuter Lot Index) is trading at 3.25-3.75 market this morning (Scale: 1-10). It is going to be a slooooow day. Get your work done early. Futures are positive. Rates are rallying. And, gold is fading. I.E. we are back to the old paradigm of policy driven, geo-political calm and a buy risk mentality (for now). Eminis: +5. 10yr 2.38%

- Data: Empire prints at 14.69 (vs. 20). IP and U of M later today

- Credit: The loan market was busy as buyers and sellers paired off on a number of trades. Recent benchmark deals (Acosta, Charter and Albertsons) are trading steady to better. Investors are feeling like they just missed a buying opportunity especially in high yield were prices have recovered 60% of their sell-off in the past three days! The loan market also saw SMA and CLO buying (including a print and sprint transaction) over the past day(s). Also, over 95% of the $294 BWIC printed yesterday (a good indicator that the market has cash for assets that are priced correctly). Loan flows, however, are still weak ($-684mm). HY flows rebounded by $451mm. Today, pPrices will be flat (because it's a summer Friday and some sellers are still lurking) to better (because of price action and flows).



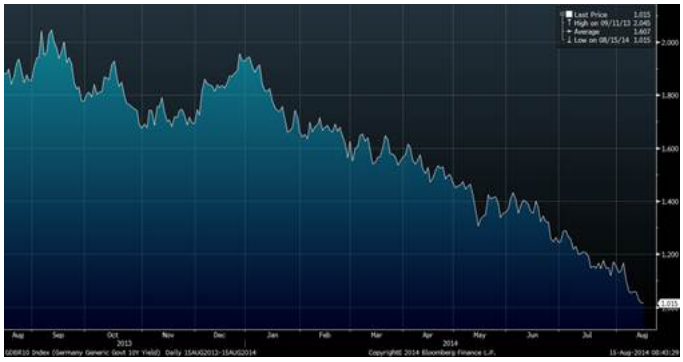
However, prices remain supported by CLOs, et al

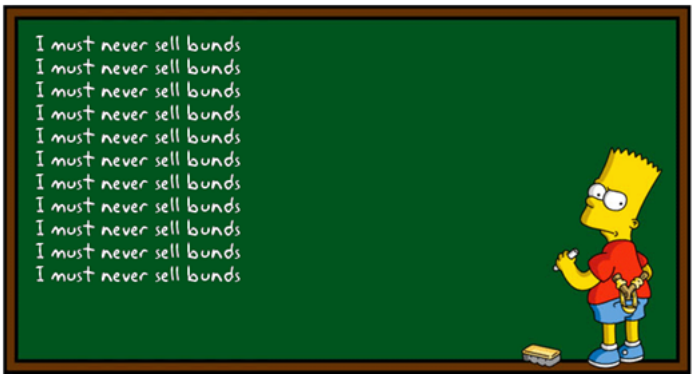


Source: S&P Capital IQ

- Chart(s) of the Day:

German 10 year yields

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01:30
French GDP (QoQ)
Act: 0.0% | Forecast: 0.1% | Prev: 0.0%
0.5
0
-0.5
-1
-1.5
2009
2012
2014

02:00
German GDP (QoQ)
Act: -0.2% | Forecast: -0.1% | Prev: 0.7%
2
1.5
1
0.5
0
-0.5
Jul '10
Jan '12
Apr '13
Jul '14

- Other:
    - Rating agency regulation http://online.wsj.com/articles/new-rules-near-on-credit-ratings-firms-1408054946
    - This well save them… http://online.wsj.com/articles/seaworld-to-upgrade-killer-whale-habitats-1408089841?mod=wsj_nview_latest
    - "Jonny Come Lately" http://online.wsj.com/articles/u-s-says-islamic-state-now-threat-to-west-1408059334

- HY: 107 7/8 (+1/16)
- IG: 58 7/8 ((-38)
- CSLLI: -0.21% mtd / 2.52% ytd

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